



Solutions Table

Economic Report

By Connie Beauvais, Port Commissioner

How the Port Supports Economic Development in Clallam County

**2,070
Direct Jobs**
*\$71 million
in wages &
self employed
earnings*

The Port's Mission:

*We bring people, resources
and industry together to
foster economic prosperity
and living wage jobs.*

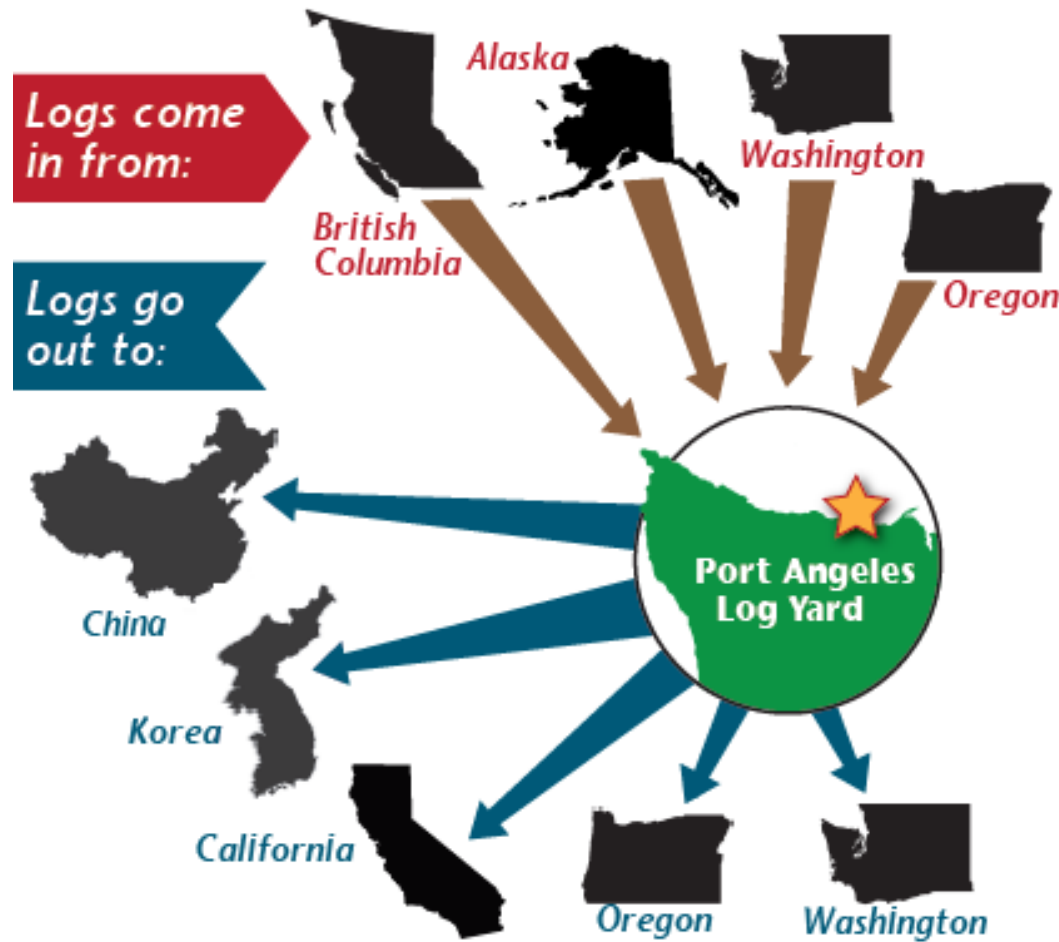
**4,090 Jobs
County-wide**
*\$100 million
in wages &
self employed
earnings*

*(Direct, Indirect &
Induced Jobs)*

**\$14.1 million in
State & local taxes**

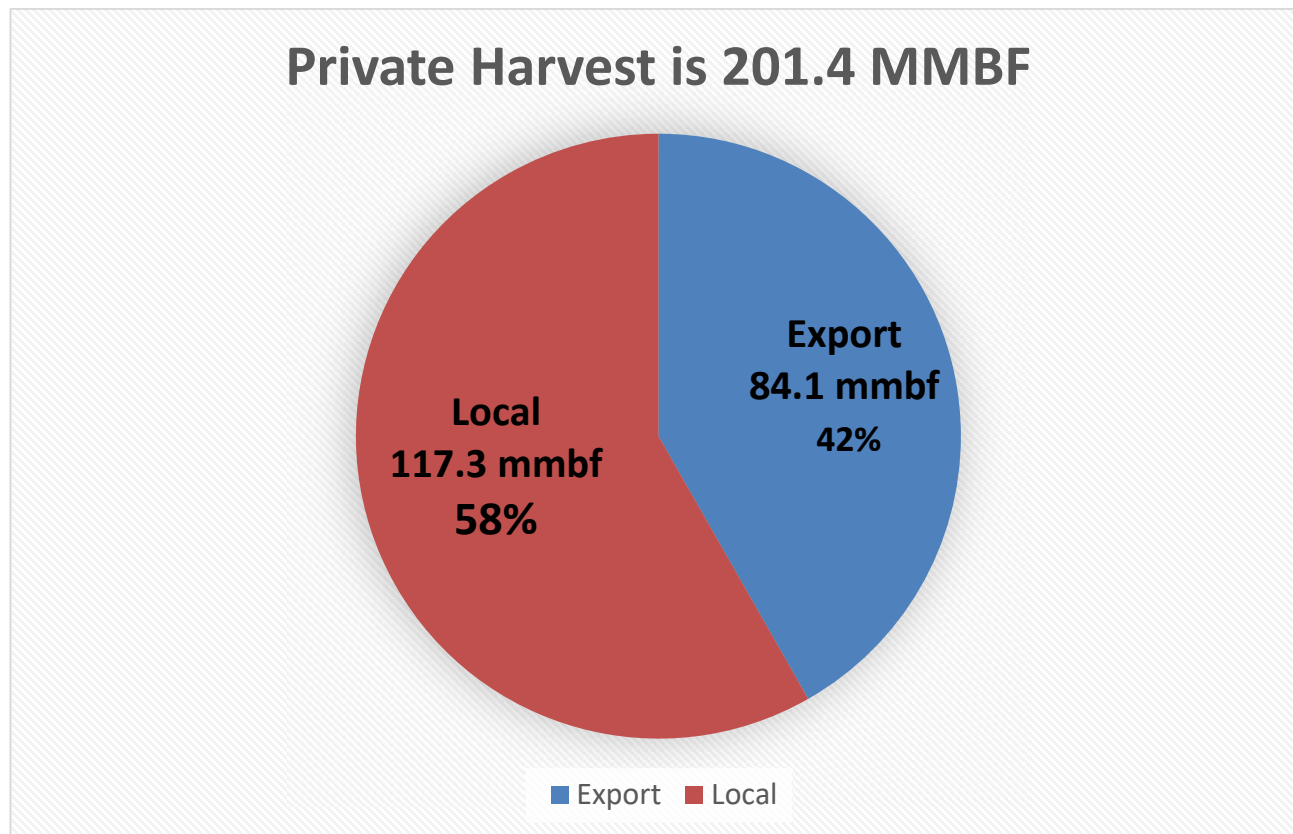
*Source: 2012 Economic
Impact Study*

*Today, the timber industry is much smaller.
The Port supports timber by being a global hub.*



*Transports logs
from private and
public lands.*

Flow of Private Timber Harvests



***58% Local and 42%
Export***

If there was no terminal at the Port, logs would be exported from elsewhere.



Local jobs would be lost, as well as timber excise tax revenues that support schools, libraries, fire districts and other vital public services.

Timber provides good jobs in Clallam County.

Because of mechanization, there are fewer jobs than 50 years ago and the jobs are safer.

They also require higher skill levels and more training, and they pay more than previously.



And not all jobs are in the woods:

- *Accountants*
- *Marketers*
- *Truckers*
- *Scalers*
- *Mill Operators*
- *Yard Operators*
- *Tug Operators*
- *Tow Boat Operators*
- *Longshoremen*



Total Jobs in Clallam County from Timber

Number of direct jobs: **638**

Number of indirect and induced: **808**

Total: **1,446**

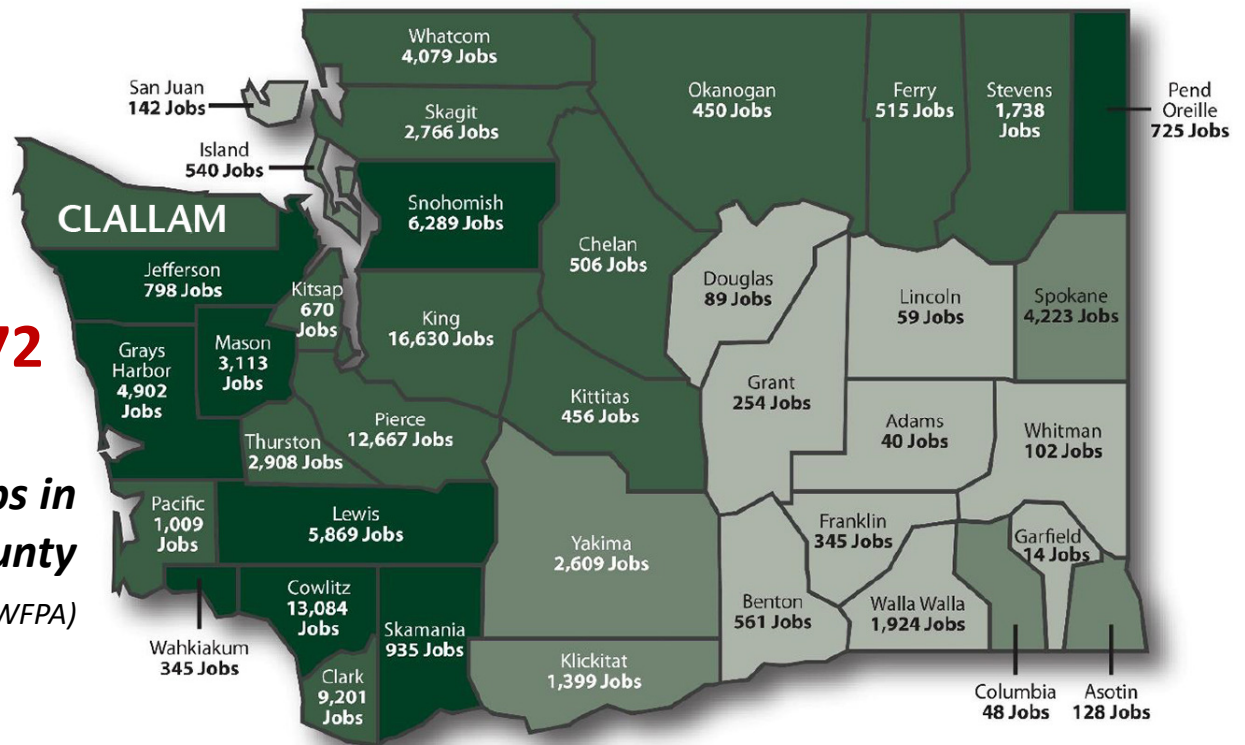
Average direct
wage: **\$55,484**

Annual Proprietor

Income: **\$61,964,072**

Timber-related Jobs in WA State by County

(Chart courtesy of WFPA)



Percentage of County that is Forestland

< 25% 25% - 50% 51% - 75% > 75%

What is a good wage in Clallam County?

- *A wage that raises the overall community well being*
- *A wage that is greater than the living wage*

What is a living wage?

2 adults, 1 works, 2 kids:

\$47,840/yr; \$23.00/hr

(for 2080 hours/year)

1 adult: \$20,800/yr; \$10/hr

(for 2080 hours/year)

2016 data for basic expenditures for food, housing, utilities, transportation, child care, medical expenses . . .

2016 Job Income in Clallam County

Average Wage:

\$37,510/yr; \$23.31/hr

(for 1609 hours/year – about 2/3 time)

Living wage:

\$47,840/yr; \$23.00/hr

(for 2080 hours/year)

2 adults, 1 works, 2 kids

Mean Wage:

\$37,510/yr; \$18.03/hr

(for 2080 hours/year – full time)

Jan 2018 Unemployment:

8.1% *(state = 4.7%)*

***We need jobs that
pay higher than the living wage
to increase the overall economic
well being of our community.***

Distressed Threshold = 5.6%

Distressed counties are where unemployment rate is 20% higher than statewide average

Impacts of the Forest Products Industry in Clallam County (excludes exports)

Impact	Jobs	Average Wage	Annual Proprietor Income (Revenue)
Direct	638	\$55,484	\$61,964,072
Indirect	284	\$35,064	\$13,753,348
Induced	524	\$22,073	\$2,705,927
Total	1,446	\$39,371	\$78,423,347

Direct Jobs:

Living wage, family of 4: \$47,844

***Logging:* 359**

***Forestry support:* 24**

***Sawmilling:* 255**

Indirect Jobs: in supply chain

*Induced Jobs: created by owners
& employees spending income*

Proprietors: approximately 53

Forest Products Jobs in Clallam County

*Every direct job in the
forest products industry:*

Logging
Sawmilling
**Wood product
manufacturing**
Forestry support



*Supports 1.3 indirect &
induced jobs in:*

Wholesale & trucking
Retail & restaurants
Medical & nursing care
Services & real estate

***Indirect Jobs:** wholesale 21, trucking 16*

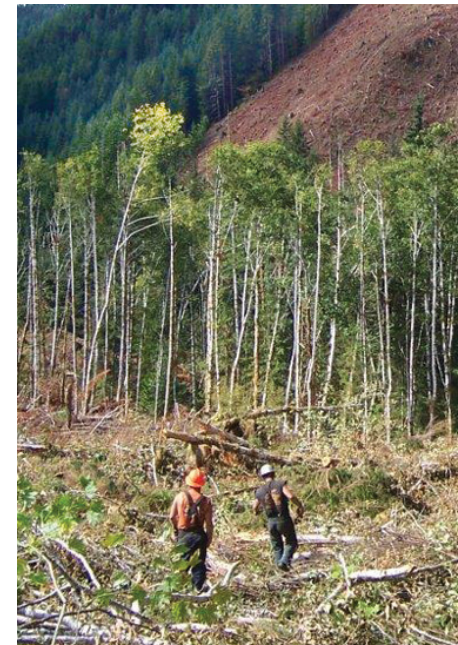
***Induced Jobs:** retail 94, food/drink 74, medical 44, real estate 38*

If we gain a job or lose a job, it has a ripple effect!

Is a 1.3 jobs multiplier good?

YES!

- *The forest products industry has the highest job multiplier in our county.*
- *And it creates an extra round of jobs and spending by harvesting the raw material locally.*



Jobs in Other Sectors:

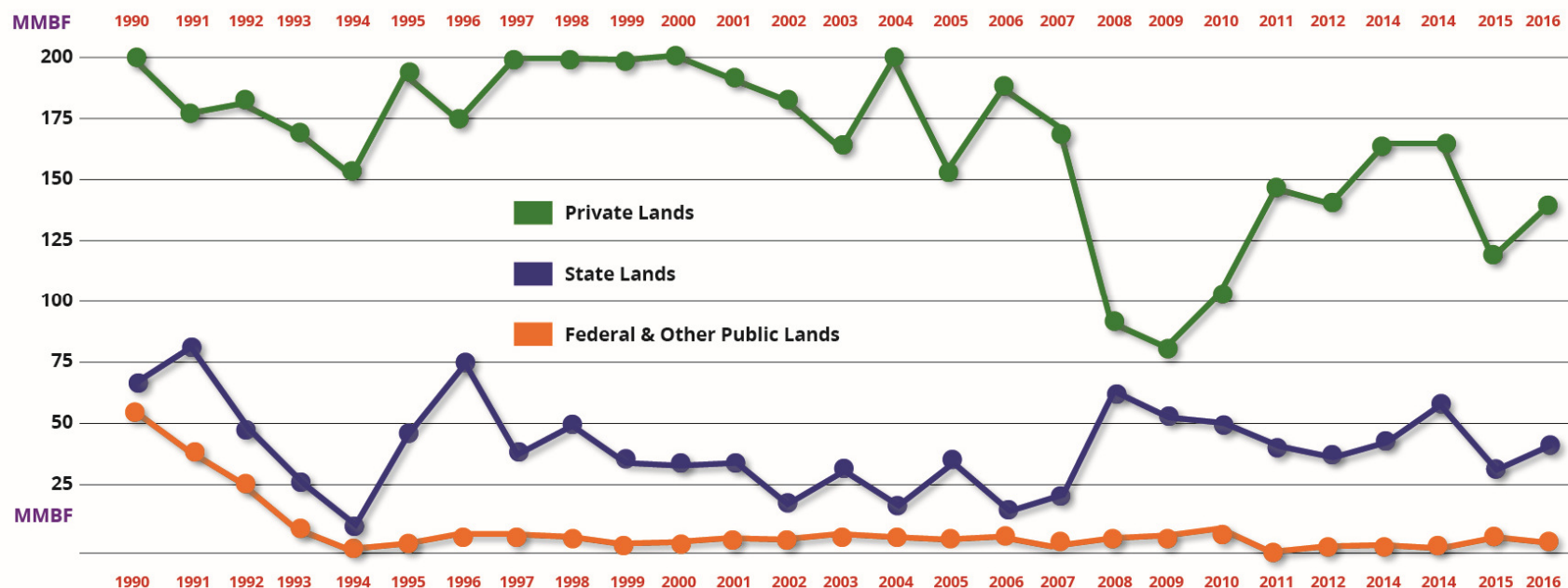
Tourism

Tourism-related industries:  **Average income: \$18,380/yr**
One direct tourism job supports 0.14 indirect/induced jobs

Includes retail, lodging, food & beverage, real estate, personal services

- *Brings dollars in from outside the county*
- *Provides entry level jobs to get started; part-time options*
- *Lodging taxes provide approximately \$1.8 million for marketing*
- *Port helps fund tourism thru Community Partners Program*

1990-2016 Private, State and Federal Harvests in Clallam County



*Private timber harvests fluctuates from **75 MMBF** to **200 MMBF***

*State timber harvests fluctuates from **10 MMBF** to **75 MMBF***

*Federal timber harvests declined from **52 MMBF** to **2 MMBF***

**2006 to 2015: Fluctuations makes it difficult for Trust Beneficiaries to plan.
County timber revenues fluctuated from \$2 to \$8 million**

Opportunity for More Harvest

Acres

Private: 347,800 acres

DNR: 178,000 acres

USFS: 199,000 acres

Harvests

Private: 400 BF/acre/yr

DNR: 247 BF/acre/yr

USFS: 10 BF/acre/yr

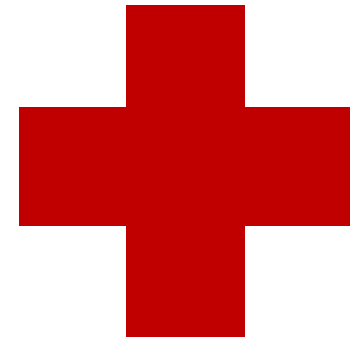
Growth Rate

600 BF/acre/yr

Rules protect fish, critters and habitat. Private harvests represent the maximum harvests and are significantly less than the growth rates.

Timber harvests also provide revenues to vital public entities such as libraries, schools, hospitals and fire districts.

- *Trust land harvests provide 75% of the sale revenue to these junior taxing districts.*
- *All public and private harvests are charged a 5% timber excise tax: 4% to County + 1% to State.*



Mills that Closed in Clallam County in the Last 10 Years

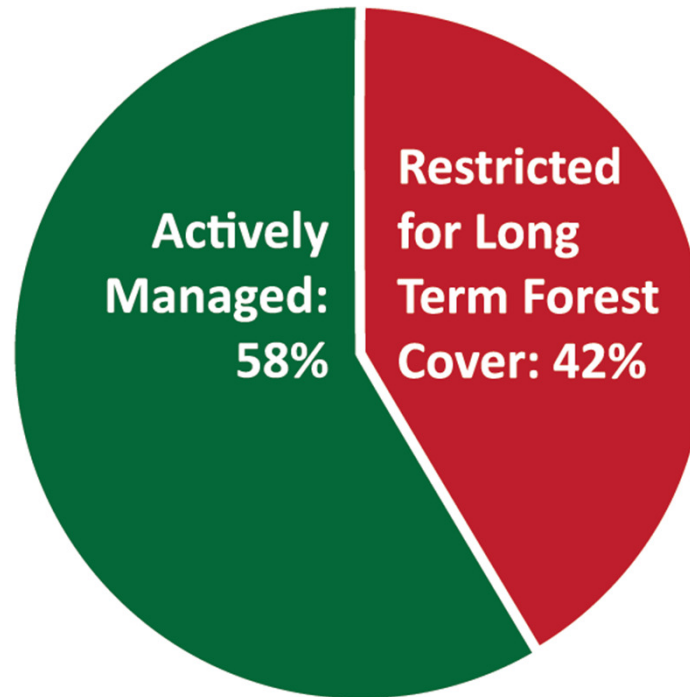
- **NIPPON**, Port Angeles. Stopped operations in 2017. **151 jobs lost**
- **Allen Logging's Mill**, Forks. Closed 2015. **45 jobs lost**
- **Interfor**, Beaver & Forks Combined. Closed 2014. **87 jobs lost**
- **Green Creek**, Port Angeles. Closed 2014. **35 jobs lost**
- **Pen Ply**, Port Angeles. Closed 2011. **130 jobs lost**
- **K-Ply**, Port Angeles. Closed 2008. **132 jobs lost**

Note: When Rayonier shut down in 1997, 350 jobs were lost, the City of Port Angeles lost \$1 million in annual tax revenue, and the County lost \$2 million in annual tax revenue.

The affect of the loss of these jobs would be comparable to Boeing or Amazon leaving Seattle!

Washington DNR Trust Lands within 55 miles of Marine Waters

1.39 million acres



***Opportunity to do more with timber
more jobs
more green buildings***



Today, forests are sustainably managed

Growing forests helps to clean the air by absorbing carbon dioxide (CO₂) and releasing oxygen (O₂).



A new green industry is emerging.

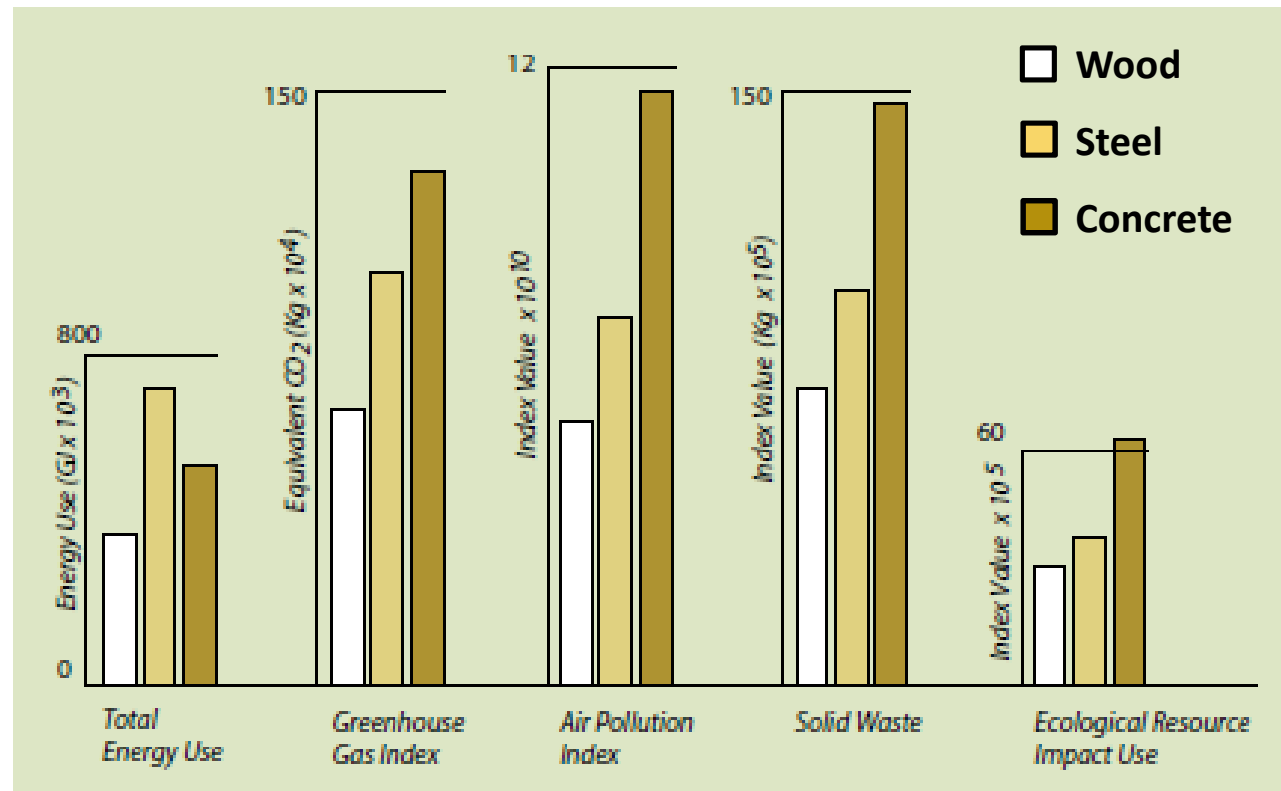


Trees incorporate the absorbed carbon (C) into their wood, and so do products made from that wood.

Wood is Good ... especially compared to building with steel or concrete.

A comparison of 50,000 sf office buildings

Source:
Canadian Wood Council



Life cycle assessment of inputs and emissions.

One of the Port's strategic goals is to support Advanced Wood Products

- *High **economic impacts**: a good wage, 1.3 job multiplier.*
- *A **renewable resource** and sustainable over the long term.*
- *Has **less environmental impact**, than other building materials.*

The Pacific Northwest is one of the best places to grow trees and has a globally-prominent timber industry.

The Composite Recycling Technology Center has developed a veneer/rCF product.

The Port has started a study on matching the wood supply to advanced wood products.

The Port will continue its strategic plan to advocate for ...

- ***sustainable timber harvests***
- ***advanced wood product manufacturing***

... to foster economic prosperity and living wage jobs in Clallam County.

